

Michigan Film Office Advisory Council
January 15, 2009

- I. Call to Order
 - a. Meeting was called to order by Chairman Emery King (10:35 a.m.) at the Westin's Executive Meeting Center, Southfield, Michigan.
 - b. A quorum was present with the following members: Bob Brown, Jim Burnstein, Xenia Castillo-Hunter, Hopwood DePree, Cory Jacobson, Danialle Karmanos, Emery King, Sue Marx, Tim Magee, William O'Reilly and Marc Prey. Also present was Janet Lockwood, Director of the Michigan Film Office, Tony Wenson, Chief Operating Officer of the Michigan Film Office and Lisa Dancsok of the Michigan Economic Development Corporation.
 - c. Unable to attend were: Bill Black and Michael Moore.
- II. Introduction of Members
 - a. Members of the Michigan Film Office Advisory Council introduced themselves.
- III. Adoption of Agenda
 - a. Motion made and duly supported to adopt the agenda of January 15, 2009. Passed unanimously.
- IV. Approval of Minutes from November 7, 2008
 - a. Motion made and duly supported to adopt the minutes of November 7, 2008. Passed unanimously.
- V. Chairperson's Comments
 - a. Emery King thanked the Westin and Pamela Malone for their help in arranging this meeting.
- VI. Director's Report
 - a. Incentives
 - i. The last two months of 2008 were very busy, as several films wrapped their shoots and 30 projects began their post production paperwork and audits for submission to the film office.
 - ii. The current estimate of Michigan spend by those projects is \$125,000,000 with expected refundable tax credits of \$48 million, which is an average percentage of 38% per project. Some of these projects will sell their credit; most will file a Michigan Business Tax Return and claim a refund.
 - iii. We currently have over a dozen projects firmly or tentatively scheduled to shoot in 2009, which more expected, as the calls are starting to come in now that the holiday season has passed.
 - iv. More than 30 projects have been approved for the refundable credits with several more under review. You will find a list of all

the projects that applied (including some for 2009) along with their disposition in your file. It's been a remarkable year. We have received at least 135 applications so far, and over 200 scripts.

b. Film Premieres

- i. At least two of the films are out, with the most prominent one being GRAN TORINO, which opened wide January 9th (and won the weekend, taking in over \$29 million). BUTTERFLY EFFECT: REVELATIONS was released on 100 screens this past weekend as part of a horror film festival, but has not yet gone wide
- ii. You can see PRAYERS FOR BOBBY on Lifetime TV Saturday January 24th, AMERICA on Lifetime February 28th, and GIFTED HANDS some time in February on TNT, date yet to be announced. The HBO series HUNG premieres in June. We will let you know as other release dates are announced. Corey Jacobson may know before the film office.

1. Xenia Castillo-Hunter stated that Gifted Hands will premiere on TNT on February 7th.

c. Economic Impact Study

- i. Ken Droz of our office is working on the economic impact report with experts in the field; we expect that report in mid to late February and will distribute copies at that time. His report will include Michigan hires, which is approaching 3,000 reported.
- ii. We apologize for not getting the "good news" stories to you since the last meeting. I believe Mr. Droz plans a mailing next week. Those stories continue to grow.

d. Production Guide

- i. Regarding the Michigan Production Guide, we had hoped to start the new process in December, but technical problems have set us back about 60 days. The process for listing with us will change significantly, as we've bought a new program called Reel Crew, which will allow crew and support companies to enter their own data and post their resume online, which will go live as soon as the film office approves the entries. We will be requiring professional production credits in the categories chosen by those who wish to list. An electronic mailing will notify all current listings of the procedure, with regular mail for those few who have no email address on record. We believe it will be a vast improvement. The directory will be printable upon demand, so rather than pay a printer for a thousand copies at once, we will print as requested.

e. Infrastructure

- i. Tony Wenson will speak to the infrastructure applications and the studio news.

f. Workforce Development Director

- i. The new workforce development director is not yet hired but significant progress has been made on that front; we hope to have someone in place soon. Crew continues to grow.

- g. Loan Program
 - i. The loan program is very unlikely to be monetized in 2009 for economic reasons. And no one has yet used the worker job training credit.
- h. Code of Ethics
 - i. Re the Code of Ethics for the MFOAC, the Attorney General's office has been asked to work on language; this information was passed along to Mr. Prey.
- i. West Michigan Film Office
 - i. The West Michigan Film Office is now an official member of the AFCL, a big welcome to Rick Hert from Grand Rapids. Rick was a great help even before he became an official film commissioner and we offer our congratulations to him for taking the examinations, attending Cineposium (in NZ), and stepping up to the plate to become a full fledged film office.
- j. Staff
 - i. Staff continues to take speaking engagements to encourage support for the program and to educate local municipalities. Tony Wenson does extensive press and PR, as you've probably seen, including a nice piece in the most recent Northwest Airlines onflight magazine. Ken Droz also works with press and I infrequently talk to the media. The staff has had no changeover except for interns, with two new ones due to start soon. We already have one student for the summer.
- k. Closing Comments
 - i. The first 9 months of the incentive program has been intense. We have learned much, our partnership with Treasury continues to thrive, Michigan continues to be the talk of the west coast - including a number of quite silly rumors but that is to be expected, as people sometimes throw stones at whoever is on top of the hill.
 - ii. We have heard of no new incentives cropping up elsewhere to equal Michigan's, but were happy for Illinois when they passed their new 30% incentive - the Great Lakes states tend to support each other.
 - iii. As usual, we could not do everything without the constant support of Nate Lake from the Governor's Office, the Governor herself, the MEDC, especially Lisa Dancsok and most especially Penny Launstein as our infrastructure expert.
- l. Stationary
 - i. Janet presented potential stationary and logos for the Advisory Council.
 - 1. Potential changes included adding the Michigan Film Office website and email address. Also changing the colors to complement the new Michigan Film Office website.
- m. Marc Prey discussed adding a staff directory along with job descriptions of the Michigan Film Office staff to the website.

- i. Tony Wenson responded that they are looking into adding that information to the website as well as the possibility of staff pictures.

VII. Training Update from Hopwood DePree

- a. Hopwood DePree presented the PowerPoint presentation on the TicTock Studios training program to the council.
- b. Chairman Emery King asked the council members if they had any comments or questions regarding Hopwood DePree's presentation.
- c. Jim Burnstein requested a hard copy of the presentation for council members. He also suggested looking at other states, such as New Mexico as a model because they have a uniform curriculum across the state. He also suggested the possibility of having a certification process or elongating the course.
 - i. Hopwood DePree said he would get a hard copy of the presentation to the council members. He confirmed that their training course is currently forty hours and the main goal is to get the students on sets in entry level positions.
 - ii. Tony Wenson discussed the possibility of putting together a workforce coalition which would incorporate the unions, Michigan Works, universities, DELEG and the Michigan Film Office.
 - iii. Jim Burnstein emphasized the importance of the union involvement in these training programs, not to guarantee a place in the union when they completed their training but to provide them a mentor.
 - iv. Tim Magee agreed with Tony Wenson and said that they are ready to stand in and help as needed.
 - v. Marcia Fishman also volunteered to become more involved in this aspect.

VIII. Infrastructure Update from Tony Wenson

- a. There have been several conversations going for the past six months and we are hoping to have an announcement of a studio opening in the next two to three months. The good news is that this is real and this also means full time employment, including jobs tied directly to the studio developments as well as indirect jobs involved.
 - i. Sue Marx asked who makes the decision on where the studios will be built.
 - 1. Tony Wenson said that people within the Michigan Film Office as well as the Michigan Economic Development Corporation work with the infrastructure applications but nobody within the state government helps choose the locations of the facilities.
 - ii. Marc Prey asked how the effort to cap the incentives has affected potential developments.

1. Tony Wenson said any cap on the incentives makes them a little leery because it would affect their bottom line. He said that it doesn't scare them away but it may delay them.

IX. Report from Hopwood DePree and Bob Brown

- a. Bob Brown discussed that they have been talking to people about what they are hearing, what are the concerns, what is being addressed and what isn't being addressed. Hopwood DePree and Bob Brown are currently putting together a list of questions they are hearing that is not yet ready for the public. They requested that the commission and others bring questions they are hearing to them to have ready for presentation by the next meeting.
 - i. Jim Burnstein is also supposed to be working with Bob Brown and Hopwood DePree and will be going forward.
- b. Bob Brown asked Janet to clarify the issues regarding payroll companies and employer of record.

X. Legislative Update

- a. Chairman Emery King commented that Bill Black was not here for the legislative update.
 - i. Marc Prey requested that Mr. Miles from Representative Andy Dillon's office be allowed to speak.
 1. Mr. Miles emphasized that Representative Dillon is very supportive of the film incentives and that job creation and diversifying the economy is a very big priority for the Representative. He also conveyed the importance of the public to be in contact with their respective representatives and expressing your support for the film incentives and to remember who supports the program.
- b. Chairman Emery King stated that he has been communicating with Bill Black, Sue Marx and Danialle Karmanos regarding Senator Bishop and the other side of the aisle and there is nothing threatening to report at this time.

XI. Code of Ethics

- a. Marc Prey and Lisa Dancsok were charged at the last meeting to come up with a code of ethics. Marc Prey is working with the State of Michigan Code of Ethics which also encompasses public officers appointed by the Governor. Marc stated that this Code might be sufficient or the council may want to take it further. The AG's Office has been asked for input also.
- b. Marc Prey will circulate both the state of Michigan code of ethics along with the Attorney General's suggestions prior to the next council meeting with the goal of reaching a decision at that meeting.
- c. Bob Brown pointed out that all members of the council have already signed the State of Michigan code of ethics when they accepted their appointment.

XII. Old Business

- a. Chairman Emery King brought up Sue Marx's prior request to have the budgets for the films available to the council.
 - i. Janet Lockwood said that the breakdown of the budgets would not be available but that the rebates will be available, for example ABC film got XYZ rebate.
- b. Chairman Emery King reminded Ken Droz to please send out the good news stories.

XIII. New Business

- a. Chairman Emery King asked Jim Burnstein to discuss his opinions on the marketing efforts.
 - i. Jim Burnstein discussed the importance of making the west coast understand and be aware of what the state has to offer. He discussed the possibility of taking out ads to congratulate Clint Eastwood for any academy award nominations.
 1. Janet Lockwood said that in prior years she took out an ad to thank each of the films that shot here, but with the influx we could possibly take on out one big advertisement thanking all of the films. She also thought that the advertisements for award nominations would be a great idea.
 - ii. Jim Burnstein discussed the importance of speaking engagements, talking points and emphasizing the positives of this industry. He said the industry is raising morale of a state that has been beaten and bruised.
 - iii. Xenia Castillo-Hunter discussed that Film Detroit, as part of the Detroit CVB, has been working very hard to change perceptions of the state and to address local concerns. She discussed the event they are holding in Los Angeles on February 3, 2009 at the Writer's Guild West and said that anyone interested is invited. She also thanked Janet for embracing Film Detroit and said that without the Michigan Film Office and the incentives they would not have these opportunities.
 1. Janet Lockwood also thanked Xenia for all of her hard work; without her extensive and extraordinary scouting of the metro Detroit area, the Film Office would be hard pressed to effectively serve the tri counties.
 - iv. Cory Jacobson discussed how "Gran Torino" has positively affected the sales in his theaters and is consistently number one and that this is a possible way to show the legislators a tangible value from the incentives through the movie ticket sales it is generating.
 1. Marcia Fishman mentioned that some legislators don't like that the films are showing the blight of Michigan; she

suggested that we somehow develop talking points to combat those concerns in a positive way. Marcia brought up the idea that SAG gives you a wallet sized piece of paper to address issues, this could possibly be beneficial to the Advisory Council.

- a. Lisa Dancsok thought this was a good idea, to include key talking points along with a good news story. Have a document that they could revise every 40-60 days and will work with Janet Lockwood to bring that to the next meeting.
- v. Chairman King again emphasized the importance of speaking on panels, giving radio and television interviews, anything that gets the people more involved and conveys information to the public. He asked the council their thoughts on how to move forward to carry out the mission and if they thought that a committee structure would be most effective.
 1. Marcia Fishman discussed the benefits of using a task force structure because it focuses on getting things done and then meeting on a needs-be basis.
 2. Bob Brown agreed with Marcia and also added that a committee stands and a task force is about getting the job done.
 3. Janet Lockwood also added that committees would fall under the Open Meetings Act.
 4. Lisa Dancsok said that with a task force we can utilize the council members' time in the most effective way. She felt that a task force with key measurables and objectives is the most beneficial way to go.
- vi. Chairman King asked if anyone was opposed to using the task force structure. Task force groups were then designated:
 1. Marketing – Jim Burnstein, Xenia Castillo-Hunter, Sue Marx and Cory Jacobson
 2. Legislative – Danialle Karmanos, Sue Marx, Bill Black, Marcia Fishman, Marc Prey and Cory Jacobs
 3. Workforce Development – Hopwood DePree, Tony Wenson, Tim Magee, Jim Burnstein and Marcia Fishman (when ready)
 4. Financing – Bob Brown, Lisa Dancsok, Marc Prey, Tony Wenson and Bill O'Reilly
- vii. Chairman Emery King asked Lisa Dancsok's opinion on the progression of the council.
 1. Lisa Dancsok said that she can see from the last meeting to this meeting that they are progressing and that she is more than happy to help with any infrastructure needs from her experience with the travel commission.

XIV. Public Comments

- a. Mark Adler with the Michigan Production Alliance said that the alliance now has 150 members and that members of the council are always welcome to attend, including the meeting regarding location scouts and their value to the industry that evening. He requested that at the next meeting if they could include efforts to educate new legislatures, more information from Ken and his good news stories, more information on the gaming industry and the possibility of incentivizing an animated logo for “Made in Michigan”.
- b. Lonette McKee, a producer from New York commented on how New York is much closer in proximity than Hollywood and that it might be beneficial to Michigan to reach out to the independent filmmakers there.
- c. Kirk Miller with Kinetic Post discussed the productions that they completed this year. He requested that the interpretation of the incentives be re-considered to include buying equipment.
- d. Scott Dunham with the Detroit Windsor International Film Festival asked if there was a way for the public to get more involved with the task force groups of the Advisory Council. He also wanted to note the DWIFF dates would be June 25th-28th this year.
 - i. Marcia Fishman thought this was a good idea, possibly come up with a procedure on how to get the public mobilized when needed.
 - ii. Chairman Emery King asked that council members give some thought on how this might work and to informally discuss it prior to the next meeting. He also asked Scott Dunham to put together a one page document on how this idea may work.
- e. Jean Claude-Lewis with Beneath the Underdog discussed wanting to find a mechanism where Michigan based producers could obtain funding and the idea of trying to marry Michigan based producers with investors.
 - i. Lisa Dancsok discussed the conversations which she had with Jean Claude-Lewis which included the fact that the loan program is not monetized. They also discussed venture capital groups who have the funds and availability and Michigan banks who would be willing to talk to producers about opportunities.
 - ii. Bob Brown also talked what was discussed the soft dollar which would give tax breaks.
 - iii. Marc Prey discussed his experience in the financing side of the area.
 - iv. Chairman Emery King thanked Jean Claude-Lewis for putting his document regarding financing together and asked that he work with the Financing task force going forward.
- f. Anonymous public comment wanted to know the process that was followed when a production contacted the film office for crew and wanted to know why so few are getting all of the work and others are never being called.
 - i. Bob Brown said that from a producer’s perspective the first thing they request is the crew list from the last production, which

perpetuates that problem. Gradually it will solve itself as demand increases but that he does think we could do a better job of accessing the films from the front door.

- ii. Janet Lockwood discussed the current process; they call the Film Office and often ask for the prior crew lists. We also strongly suggest they look in the production guide. They always ask for people with experience, so it is a Catch-22.
- iii. Marcia Fishman said that they rarely get those type of calls, but if they do they send them to the union or the Michigan Film Office. If it's for her members she will send out a mass email to all of the members.
- iv. Chairman King said that this is something that should potentially be on the next agenda for a more protracted approach. He also noted that we are absolutely committed to equitable opportunities for everyone.
- g. Kim Thrasher, a crew member with the local union, wanted to discuss the difficulties of breaking into the industry and how the transition from commercials to film can be very difficult. She discussed how she hears first hand what we are lacking, and it's experience. She discussed the importance of working with Tim Magee when developing the workforce development areas, if we aren't fulfilling the specific needs it will be all for nothing.
 - i. Jim Burnstein asked if she recommended specific training to transition from commercial to film and Kim Thrasher said yes.

XV. Adjournment (12:38 p.m.)

- a. Chairman King asked if anyone was opposed to meeting on an every other month basis. The next meeting will be in the second or third week in March with the location to be determined. He said that we will get dates out in the next few weeks. Chairman King also thanked Pamela Malone and the Westin once again for their help and accommodations.

Respectfully submitted,

Emery King, Chairman

Prepared by:
Jackie Wressell